

Message Text

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70

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AGR-05 CEA-01 CIAE-00 COME-00

DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04 ITC-01

TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 FEA-01 XMB-02

OPIC-03 /098 W

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R 111624Z MAR 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 9745

INFO USMISSION EC BRUSSELS

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E.O. 11652: N/A

TAGS: ETRD, UK, EEC

SUBJECT: UK TARIFF TREATMENT OF KRAFT LINERBOARD

REF: LONDON 3129

1. EMBASSY CHECKS WITH MAJOR IMPORTERS OF US KRAFT LINER HAVE FOUND THAT THIS WEEK FOR THE FIRST TIME HM CUSTOMS HAS INDICATED CONTINGENCY DEPOSIT MADE TO COVER HIGHER DUTY RATES ON A SPECIFIC SHIPMENT WOULD BE REFUNDED.

2. INTERNATIONAL PAPER (IP) IMPORTED A SHIPMENT OF KRAFT LINER ON OCTOBER 14, 1975, AND EVEN THOUGH PRODUCT WAS DECLARED TO BE WHOLLY OF MATERIAL REQUIRED FOR LOWER DUTY RATE HM CUSTOMS REQUIRED A DEPOSIT TO COVER THE DIFFERENCE BETWEEN LOWER AND HIGHER DUTY. (HM CUSTOMS' SOMEWHAT CONFUSING TERMINOLOGY FOR DEPOSITS IS "POST-ENTRY TO COVER APPARENT UNDERPAYMENT OF DUTY.") AFTER FOUR MONTHS HM CUSTOMS HAS NOW LIMITED OFFICIAL USE

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NOTIFIED IP THAT THIS DEPOSIT WILL BE REFUNDED IN FULL.

REFUND WILL BE MADE ON BASIS OF TEST WHICH SHOWED SHIPMENT MET REQUIREMENTS FOR CLASSIFICATION IN LOWER TARIFF RATE.

3. COMMENT. EMBASSY BELIEVES THAT THERE MAY NOT BE FULL APPRECIATION IN US KRAFT LINER INDUSTRY THAT HIGHER DUTY PAYMENTS HAVE BEEN ON A DEPOSIT (SO-CALLED 'POST-ENTRY') BASIS PENDING UKG TEST RESULTS. WOULD BE USEFUL IF DEPARTMENT ASKED MEISTER AT API TO LET CONCERNED COMPANIES KNOW THAT THIS FIRST DEPOSIT HAS NOW BEEN REFUNDED -- EVEN IF THE LAG WAS OVER FOUR MONTHS. THIS DOES NOT, OF COURSE, SOLVE THE BASIC TECHNICAL-LEVEL PROBLEM OF SHIPMENT NOTED REFTEL AND OTHERS WHERE UKG TEST RESULTS NOT CONSISTENT WITH US RESULTS. BUT PRESENT CASE OF REFUND IS A CLEAR EXAMPLE THAT IT IS DEPOSITS NOT FINAL PAYMENTS THAT ARE BEING ASSESSED. THIS CLARIFICATION MAY BE HELPFUL IN KEEPING INDUSTRY TEMPERATURE DOWN UNTIL WE HAVE WORKED OUT A SOLUTION.

ARMSTRONG

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PAPER INDUSTRY, TARIFF NEGOTIATIONS, EXPORT CONTROLS, PULPS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LONDON03826
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760093-0528
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760372/aaaacldb.tel
Line Count: 81
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 LONDON 3129
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 31 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31 MAR 2004 by MartinML>; APPROVED <29 JUL 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UK TARIFF TREATMENT OF KRAFT LINERBOARD
TAGS: ETRD, EPAP, UK, US, EEC, KRAFT PAPER
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006